

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

November 4, 2002
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, and Noble

ABSENT: Councilmembers Lee and Mosher

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced that Council just came out of a specially noticed executive session that began at 5:10 p.m. to discuss one item of property acquisition.

2. Study Session

(a) Public Safety/Civic Center Project

City Manager Steve Sarkozy introduced staff's presentation of the proposed acquisition and finance plan for the Qwest building, which will be renovated for use as a Public Safety/Civic Center facility.

Police Chief Jim Montgomery recalled previous discussions with Council about public safety facility needs. In the late 1980s and early 1990s, a series of interim solutions were implemented utilizing six locations throughout the community. A 1992 levy campaign to enhance facilities failed. In 2000, Council identified a public safety facility as a high priority and authorized a Public Safety Facility Study. A number of deficiencies were identified including a severely overcrowded 911 dispatch center; the department's decentralized facilities; inadequate locker/shower facilities; substandard construction quality, security and seismic standards; and overall facilities that are 22,000 square feet below basic requirements. The study also identified the need for a Police Department "front door" and public lobby, quiet and private interview rooms, and more parking.

Planning and Community Development Director Matt Terry reviewed overall City Hall campus facility needs: an aging campus, inefficient square footage distribution, inefficient deployment of

services, seismic problems, mechanical systems in need of replacement, security issues, and inadequate public space. In January 2002, Council directed staff to determine the best long-term facility investment strategy, plan for the collocation of public safety and City Hall functions, and to consider downtown sites as suggested by Comprehensive Plan policies. Staff identified prototypical sites, developed master plan concepts and costs for each site, and prepared a recommendation which was presented to City Council in July. The site feasibility study was focused on anticipating long-term facility needs, finding the least-cost option, and meeting overall public service goals and objectives.

Mr. Terry reviewed the five prototypical sites analyzed. Two were eliminated as being too costly and not providing appropriate facilities for City functions. Master plans were developed and costs were estimated for the remaining three sites:

- Existing City Hall campus - \$138 to \$153 million
- Comp USA site - \$154 to \$170 million
- Qwest building - \$90 to \$105 million.

When Qwest approached the City about selling the building, staff worked to determine the appropriateness of the facility and conducted a fatal flaw analysis covering program fit, seismic upgrades needed, potential for public lobby and building access enhancements, feasibility of adding windows to current computer floors, public safety security requirements including a secure elevator, site access and parking, and ability to accommodate City Council and public meetings. Staff concluded the building is a good candidate for a Civic Center facility. This recommendation is supported by Comprehensive Plan policies encouraging locating government agencies in the downtown, considering the relocation of City Hall to the downtown, locating a public safety/City Hall facility adjacent to the convention center, and locating an activity center at the east end of the Pedestrian Corridor near the Transit Center.

Mr. Terry said the Qwest option represents a smart business proposition to purchase property in a down market. It provides the opportunity to develop a gateway into downtown and infuse new life into a critical piece of the downtown landscape. Staff believes the option will encourage economic development, absorb office space in a market with high vacancy rates, and create construction jobs.

Mr. Terry recalled that the City Manager issued a letter of intent to purchase the property in September. The Purchase and Sale Agreement reflects a purchase price of \$28 million. The City will receive \$2.1 million from Qwest for a short-term lease beginning in January 2003 and ending in September, resulting in a net price of \$26,870,000. The City will be required to deposit \$250,000 as earnest money if Council decides to proceed with the acquisition, followed by an additional \$250,000 in December at the end of the feasibility period. The transaction is expected to close by December 31, 2002. After Qwest vacates the building next September, Qwest Internet Service (QIS) equipment will be relocated to the basement and remain in the building.

Mr. Terry reviewed the long-term lease provisions. Once the City occupies the building, Qwest will maintain its equipment in the basement occupying approximately 5,300 square feet. All

mechanical and electrical systems to support QIS will be segregated from the City's systems. However, Qwest and the City will share the use of generators for backup power. Qwest will pay all operating costs for its use of the space to house QIS equipment.

Mr. Terry described the Construction and Delivery Agreement, which delineates specifications for the occupancy of QIS equipment. It gives the City the right to review plans for the space and Qwest the right to review any City plans for space in the immediate vicinity. The agreement outlines the timing for the work to be completed by Qwest and provides for dispute resolution.

Ed Oberg, Deputy City Manager, discussed the proposed finance plan which includes all project elements and costs, revenues, reserves, and the fundamental assumptions of the plan. He reviewed the overall project budget reflecting a total project cost of \$105,000,000. The plan assumes proceeds of \$20 million from the sale of the City Hall campus, acquisition of the King County parcel at 112th Avenue NE and NE 6th Street for parking facilities, construction costs and other project costs. These preliminary cost estimates are based on a one-percent design level and will be adjusted as the project moves through the schematic design process.

Mr. Oberg said the five funding components of the finance plan are:

- Unallocated reserves of \$15.3 million.
- Use of other City reserves, up to \$20 million. The City's current reserves total \$130 million. Staff recommends that reserves be evaluated on an annual basis and that any excess reserves be dedicated to the Civic Center project. Current excess reserves of \$3.5 million could be allocated to the project. In addition, a loan from reserves of approximately \$16.5 million is proposed.
- Proceeds of \$20 million from the sale of the City Hall campus (including Leavitt Building and Police Annex).
- Approximately 25 percent of General CIP revenue after 2010.
- Potential property tax increase of two percent, which represents an increase of approximately \$10 per year for the average Bellevue household.

Staff recommends two bond issues totaling approximately \$105 million, the first to occur in late 2003 and the second to occur in mid-2004. Mr. Oberg said the proposed property tax increase requires a policy decision by Council. He explained that property tax levies can be established only once a year, usually in early December for the following year. The City's 2003 property tax levy must be established by December 9, 2002.

Mr. Oberg reviewed the guiding principles of the finance plan:

- Maintain the City's Aaa bond rating (Moody's). Representatives of Moody's and Standard and Poor indicate the proposed bond issues will allow the City to maintain its favorable ratings.
- Preserve future debt capacity. A bond level of \$105 million will allow the City to maintain \$175 million in overall debt capacity.

- Minimize any impact on current operating and capital budgets. The acquisition proposal does not utilize the operating budget and delays the use of capital funds until 2010.
- Utilize diversified and predictable revenue sources. Mr. Oberg said three-quarters of the funding is generated by sales and B&O tax collections. Staff feels confident about projected tax revenues. However, the state legislature's consideration of a B&O tax bill presents some risk potential.

Mr. Oberg said the proposed loan of \$16.5 million from reserves will be repaid through a reserve replenishment policy. He noted that revenue growth is expected to exceed expenditure growth over the next six years, which is estimated to generate approximately \$5.1 million in excess revenues. Mr. Oberg said the CIP Plan will shift its emphasis from transportation projects to public safety beginning in 2010.

Mr. Oberg said interim financing will be used through 2003. The long-term debt will be issued in late 2003 to redeem the short-term bond anticipation note (BAN) and provide a portion of the long-term financing. Staff recommends Council adopt a bond reimbursement resolution to enable the City to recover from the bond proceeds those costs incurred to date in the acquisition of the building. Mr. Oberg said the finance plan will be monitored and updated as needed over the term of the bonds.

Mr. Sarkozy said staff will work with Council to finalize the scope, budget, and finance plan if directed to proceed with this project. It is anticipated the design phase will be completed by the end of 2003, the construction of improvements will begin in early 2004, and the building will be occupied by late 2004 or early 2005. Mr. Sarkozy summarized staff's recommendation that the purchase of the Qwest building is the most prudent action to address public safety and civic center facility needs. Feasibility work has been completed to identify and analyze legal, financial, architectural, and environmental implications. Mr. Sarkozy reviewed the benefits of the acquisition proposal: best solution for meeting public safety needs, enhanced venue for delivering public services, an ideal time to buy, consistency with Comprehensive Plan policies, a desirable location, and a boost to the local economy.

Deputy Mayor Degginger feels the need for enhanced facilities has been thoroughly justified. He commended staff for identifying this favorable opportunity to purchase the Qwest building. However, he is concerned about the finance plan and the proposal to increase property taxes. He had hoped Council's unallocated reserve of \$12-13 million would be used as a down payment on the building. Mr. Degginger feels the budget and finance plan should be reexamined and refined.

Dr. Davidson concurred with Mr. Degginger's concern about a property tax increase and suggested additional financing options be developed.

Mr. Creighton agreed with Mr. Degginger's comments. Mr. Creighton is in favor of consolidating city facilities and feels the proposed location is ideal. He thanked staff for all of their work to date. He is concerned about the finance plan, however, particularly since the project is at the one-percent design level. Mr. Creighton feels Council should move forward

with enhancing public safety facilities and he is willing to consider a minimal property tax increase as an option.

Mr. Noble concurred with Councilmembers' comments and their concern about the finance plan. He is reluctant to adopt a property tax increase by the December 9 deadline. Mr. Terry said the interim finance plan does not require a property tax increase to occur for 2003.

Noting the building's proximity to the transit center and Meydenbauer Center, Mayor Marshall feels the Qwest building is an ideal location for a civic center. She supports the proposal and encourages public participation in planning for the new facilities. Mayor Marshall thanked staff for their hard work.

Dr. Davidson feels the public's rejection of the 1992 bond measure worked out well because the current civic center proposal represents a significantly better long-term solution.

(b) 2003-2004 Budget Review

(1) Human Services Commission Funding Recommendations for 2003-2004

Parks and Community Services Director Patrick Foran introduced Michelle Kline, Chair of the Human Services Commission, and Emily Leslie, Human Services Manager. Ms. Leslie said the purpose of tonight's agenda item is to present the Human Services Commission's funding recommendations for 2003-2004. The Commission's funding package requests \$2.7 million from the City of Bellevue as follows: \$1.7 million from the Human Services General Fund and \$1 million in 2003 Community Development Block Grant funds.

Ms. Leslie said Council is asked to take action next week on the CDBG funds. Council action on the General Fund dollars will occur with adoption of the overall City budget in December. Attachment B in the Council packet (Page SS 2-34) summarizes the CDBG funding recommendations which are divided into Capital Projects/Programs and Public Service Programs.

Ms. Leslie referenced Attachment A (Page SS 2-18) for a summary of all 2003-2004 human services funding recommendations. The requests totaled nearly \$3.1 million, which was approximately \$325,000 above available funds. This included new requests totaling \$153,000. Ms. Leslie thanked the Commission for their hard work. The Commission used the Human Services Needs Update as their guide and reviewed each application according to criteria established by Council.

Ms. Kline thanked Council for identifying community outreach and human infrastructure as major work initiatives for 2003-2004 and for the commitment to maintaining the Human Services Fund. She noted decreasing contributions from public and private sources for human services. All currently funded programs that have been meeting their contract goals are recommended for continued funding at the lower of their full request or the 2.5 percent cost-of-living adjustment. In addition, the Commission is recommending increases above the cost-of-living adjustment for nine programs encompassing community safety net programs and public

safety/prevention. These include child care programs, health and human services for young families with newborns, emergency financial assistance, outpatient mental health and chemical dependency treatment, dental care for low-income adults, and civil/legal assistance.

Ms. Kline described one new, unfunded request from Youth Eastside Services for \$37,500 to support their Immigrant and Refugee Program. Without these funds the program will be cut by at least half and possibly eliminated. The program annually serves more than 400 unduplicated Bellevue immigrant and refugee youth and their families. Bellevue has more households speaking a language other than English than any other King County city. Ms. Kline said the program is a valuable resource for residents, City staff, and Bellevue Police Department.

Moving to CDBG funding, Ms. Kline said the Commission is recommending that Council approve an additional eight hours per week for the City's Home Repair Loan Specialist. While this requires an additional \$12,500 in the City's budget for the staff position, the full cost is reimbursable from CDBG funds. Ms. Kline noted that a survey earlier this year indicated residents place a high value on human services and they feel it is government's responsibility to help in this area.

Mr. Noble noted his involvement in the Regional Policy Committee's discussions about human services and his participation on the Eastside Human Services Forum. He is proud of Bellevue's commitment to human services. Mr. Noble encouraged Council's support of the funding request from the Immigrant and Refugee Program.

In response to Mr. Creighton, Ms. Leslie described the pooled funding pilot project outlined on page SS 2-16 of the Council packet. The Cities of Bellevue, Bothell, Issaquah, Kenmore, Kirkland, and Redmond are initiating an effort to contract with two agencies through one joint application and contract process as an efficiency measure.

Dr. Davidson questioned why the YES Immigrant and Refugee Program is being presented separately from the recommendations package. Ms. Kline said the Commission decided to not fund any new programs. However, Commissioners felt Council should have an opportunity to consider the request, which provides funding for critical services. Responding to Dr. Davidson, Mr. Noble said the Reinvesting in Youth initiative presented recently by Councilmember Lee did not meet Human Services Commission criteria for funding.

Mayor Marshall considers the YES Immigrant and Refugee Program in the same vein as the Reinvesting in Youth initiative. She described the program's success in helping youths with family and other problems and turning their lives around. She noted 2000 Census figures indicating a population increase of 26 percent since 1990, while residents speaking a language other than English at home increased 149 percent. The number of Bellevue residents speaking English "less than very well" increased 160 percent. Mayor Marshall invoked Council's established policies to address changing needs and the changing population. She encouraged support of this funding request.

Mayor Marshall noted she is also particularly impressed with the programs provided by Child Care Resources. She thanked the Human Services Commission for doing an outstanding amount of work upon which Council relies for its decisions.

(2) Information Technology Department Presentation

Toni Cramer, Chief Information Officer, discussed a proposed realignment of Information Technology Department architecture and staffing. She described the organization's migration from a mainframe environment with in-house custom programs to one in which the City began purchasing software by 1998 in preparation for Y2K issues. The City currently has 217 applications throughout the organization and many contain redundant information. More than 150 interfaces have been developed to connect the applications together.

Ms. Cramer explained that technology has moved into web-based architecture providing more robust applications with the potential to meet broad rather than narrow needs. Today's technology will allow the City to collapse its redundant systems into enterprise-wide systems, which forces a look at the organization's functional needs as a whole. This realignment meets Council's objectives for integrated service delivery in a citizen-centric manner.

Ms. Cramer said staff who manage all the different applications are distributed throughout the organization in multiple departments. These staff will be integrated into the Information Technology Department and trained to follow consistent methodologies and techniques for managing the applications and shifting to an enterprise-wide architecture portfolio. Two vacant FTE positions not currently devoted to technology will be reallocated to the IT Department to support public safety systems. Redundant systems and information will be eliminated over time.

Ms. Cramer reviewed the benefit of the realignment:

- Eliminates redundancy and duplication in data and systems.
- Avoids the planned addition of two FTEs in 2005.
- Shifts focus from individual departments to enterprise-wide priorities.
- Balances service delivery to all departments.
- Aligns IT investments with enterprise priorities and business strategies.
- Positions City to leverage regional partnerships and provide service to external entities.

Ms. Cramer elaborated on the proposal to reallocate two vacant FTE positions to the IT Department to manage the City's mission-critical public safety systems. Staff's recommendation is to fill the two positions now and eliminate plans for two FTEs in 2005. One option is to prioritize existing applications using existing staff, recognizing that life safety systems would be a higher priority than some customer service functions. Ms. Cramer said filling the positions in-house is less costly than hiring contractors to assist with the workload.

Responding to Mayor Marshall, Ms. Cramer said software purchased to prepare for Y2K will continue to be used by the City throughout the proposed shift in systems architecture. In further response, Ms. Cramer said enterprise systems typically have a life cycle of 10 to 15 years.

Responding to Dr. Davidson, Ms. Cramer described plans to implement an application portfolio management system that will enable staff to monitor ongoing costs, risks, and returns.

Deputy Mayor Degginger is in favor of centralizing and consolidating applications, especially if it is more cost effective and improves customer service to the public. Mr. Creighton concurred.

At 7:56 p.m., Mayor Marshall declared recess to the regular session. The study session resumed at 8:37 p.m.

Mr. Sarkozy introduced staff's presentation about the Financial and Human Resources System Investment Proposal. Ms. Cramer introduced Cathy Johnson, who will be moving from Transportation into the IT Department to serve as overall project manager for this effort, and Sara Lane from the Finance Department who is part of the project team.

Ms. Cramer described the development of multiple financial and human resources systems to meet specific needs over the years. Many of these systems have become obsolete and interfaces between applications are not reliable. The City attempted to address this problem in 2000 but was unable to find a project manager with the skills needed for this type of endeavor. Existing staff were focused on preparing for Y2K issues for the two years leading up to 2000.

Ms. Cramer said a steering committee will oversee the Financial and Human Resources System Replacement Project to make decisions regarding scope, change management, communications, and budgeting. The committee is composed of Deputy City Manager Ed Oberg, Interim Finance Director Brad Miyake, Human Resources Director Yvonne Tate, and Ms. Cramer. Staff proposes the creation of a dedicated project team combining technical and business personnel throughout the organization. Ms. Cramer said Council will be updated about the project on an ongoing basis. City staff have studied similar successful projects including the introduction of a new HR/payroll system at the City of Kent and projects at the Cities of Seattle and Vancouver.

Ms. Cramer noted the following drivers to replace the City's financial and HR systems:

- Supporting and integrating legacy systems with newer City systems is becoming more difficult and expensive.
- Risks associated with system failure are increasing.
- Strategic organizational objectives cannot be met with current technologies.

The Financial and HR System Replacement Project will provide the following benefits:

- Reduce risk of system failure due to unreliable interfaces and obsolete technology.
- Decrease instances of inconsistent and redundant data.
- Improve data security.
- Create efficiencies in work processes.
- Improve ability to integrate with newer City systems and regional partners.
- Leverage vendor's research and development and enable the City to keep current with technology and functional product enhancements.

Ms. Cramer reviewed a summary of project costs including \$14.9 million in one-time capital costs proposed for the 2003-2009 Capital Investment Program (CIP) Plan to cover hardware, software, project staffing, training, and vendor implementation services. The project's finance plan reflects \$8 million in new CIP funding, \$3.2 million in current CIP funding, \$2.4 million in Enterprise Fund contributions, \$1.2 million from the current General Fund, and \$328,000 in existing IT reserves.

Ms. Cramer explained why the project is so staff intensive. The project is tailored to integrate existing resources, reallocated vacant staff positions, and the extensive use of limited-term employees and contractors. The project encompasses the implementation of 14 integrated functional modules. The conversion of existing systems will be complicated and business process changes will be labor intensive. Ms. Cramer said integrated systems will allow the City to implement general process improvements that translate into increased work capacity for existing City staff of 21 to 32 hours per employee per year. The potential capacity achieved through organizational efficiency gains will offset or exceed ongoing costs of maintaining the new system.

Ms. Sarkozy said past technology improvements have resulted in incremental savings in productivity and efficiency for individual departments. The Financial and HR System Replacement Project provides the potential for enterprise-wide productivity improvements and long-term cost savings.

Ms. Johnson reviewed page 13 of the Investment Proposal document, which summarizes estimates of efficiencies and cost savings to be gained through implementation of the project. Ms. Cramer commented that the ability to achieve these cost savings is dependent on the systems ultimately selected. She noted that multiple employee teams will work on this project as it progresses. Staff will return to Council in February after responses to the Request for Proposals (RFP) are received and evaluated.

Responding to Mr. Degginger, Ms. Johnson said leadership is the most important factor in the outcome of this project. She said the organization must be willing to commit to the needed changes in work processes for the project to be a success.

Mayor Marshall is willing to maintain a placeholder in the budget for the project while continuing to learn more and ask questions. Deputy Mayor Degginger is concerned that oversight is not part of the guiding principles outlined on page 6 of the Investment Proposal document. Ms. Cramer noted the role of the steering committee in overseeing the project. Mayor Marshall would like the guiding principles to confirm the reallocation, rather than addition, of FTEs. Mayor Marshall thanked staff for their hard work.

(3) Preliminary Budget Document Review – Volume I

Mr. Sarkozy suggested Council review Volume I of the Preliminary Budget Document and that staff respond to questions as they arise.

Mayor Marshall requested job descriptions for the staff to be gained through the City's assumption of a portion of the Coal Creek Utility District. Utilities Director Lloyd Warren said state law requires the City to hire employees considered surplus to the needs of the district's ongoing operations. The district will notify the City of the applicable number of employees by June 30, 2003. The City anticipates this to be less than nine employees and they will not join the City's payroll until the assumption becomes effective in 2004. Mr. Warren said the district's latest estimate is three or four employees.

Deputy Mayor Degginger questioned whether reserves have previously been used to balance the budget. Mr. Oberg said reserve levels have been adjusted from time to time for various reasons, resulting in the reallocation of reserve funds to other parts of the budget. In further response, Mr. Sarkozy said alternatives include additional budget cuts. He cautioned that this would place increased hardship on the organization when it is already experiencing budget cuts.

Deputy Mayor Degginger asked if staff could provide alternative scenarios for reducing \$2.5 million from the budget without reallocating reserves. Dr. Davidson concurred, noting that he is concerned about using reserves.

Responding to Mayor Marshall, Mr. Miyake said the upcoming CIP Plan reflects a reduction of \$67 million from the current plan. Of this, \$27 million results from a shift in Access Downtown project authority to the Washington State Department of Transportation. The remaining reduction of \$40 million is due to the economic downturn.

Responding to Mr. Degginger, Mr. Miyake said details on the municipal court placeholder in the budget will be provided to Council.

Moving to the forecast, staff provided a handout requested by Mayor Marshall comparing the current budget to the last budget. Mrs. Marshall expressed concern about increasing personnel costs because it eliminates other opportunities.

Responding to Mr. Degginger, Mr. Sarkozy explained that the Sister Cities Program Administrator in the City Manager's Office is retiring at the end of the year. Staff proposes eliminating the position and distributing the duties between the City Manager's Office and the City Clerk's Office.

Deputy Mayor Degginger requested more information on the municipal courts initiative within the City Attorney's Office budget. Mr. Sarkozy said King County is planning to sever its courts contract with Bellevue at the end of 2004. Therefore, a placeholder has been added to the 2003-2004 budget for planning purposes. Staff will provide more details to Council on the \$700,000 placeholder.

- ➡ Deputy Mayor Degginger moved to extend the meeting to 11:00 p.m., and Mrs. Marshall seconded the motion.
- ➡ The motion to extend the meeting carried by a vote of 5-0.

Mrs. Marshall noted the initiative on page 10-3 regarding diversity in hiring. She would like the community's diversity to be reflected in City staffing at all management levels. Human Resources Director Yvonne Tate said approximately 15 percent of the City's new employees this year are non-Caucasian. The City advertises in diversity newspapers and publications and participates in diversity job fairs and events. Ms. Tate feels the City's record for hiring diverse candidates has been good. She noted the City is currently updating its affirmative action plan and renewing its emphasis on diversity hiring, which will be a topic of the Large Management Team Breakfast in early 2003.

Responding to Mr. Degginger, Ms. Tate commented on increasing health care costs. She said staff is organizing a task force to study cost containment strategies.

Responding to Mr. Noble, Ms. Tate said the tuition reimbursement program should be enhanced. She said employees who achieve college degrees generally end up being better employees.

Responding to Mayor Marshall, Ms. Cramer said \$85,000 is budgeted to develop a business plan for the municipal fiber network because outside expertise is needed to analyze the regulatory and legal framework as well as the potential for partnerships.

Staff continued to respond to questions of clarification by Councilmembers.

Mayor Marshall is opposed to canceling contracts for parking lot enforcement at selected public facilities. She asked staff to develop alternatives for Council consideration.

Mr. Noble said the reduced contribution to the Housing Fund should not be interpreted to reflect a change in Council's commitment to ARCH (A Regional Coalition for Housing). He explained that sufficient funds allow a reduction for this budget cycle.

Responding to Mr. Degginger, Police Chief Jim Montgomery acknowledged that specialized training required for police personnel can be costly, particularly if travel is required. Chief Montgomery said the Police Department's training budget was increased in recent years because a comparison to benchmark cities indicated Bellevue's budget was low in this area.

Mayor Marshall requested more information about the reduction of 1 FTE (Senior Planner, Transportation) referenced on page 15-9. Transportation Director Goran Sparrman said this reduction from the Long-Range Planning division leaves three planners and one supervisor/planner. The group will continue with two key new activities – the Factoria area study and Downtown Implementation Plan recommendations.

Mayor Marshall expressed concern about the proposal to reduce funding for pavement repairs because she is proud of the City's attention to potholes. Mr. Sparrman said the City's overlay program does a good job and roads are in very good condition. Dennis Vidmar, Utilities Assistant Director, said the funding reduction will delay overlay projects but it will not affect pothole repair. The reduction will allow a decrease in the use of temporary personnel. Staff will monitor road conditions and any complaints on an ongoing basis.

Responding to Mayor Marshall, City Clerk Myrna Basich said the \$115,000 budgeted for elections was considered a placeholder in anticipation of a ballot measure proposing that Bellevue become a Charter City. Based on the submittal of this petition today, the first election will be a special election with an estimated cost exceeding \$115,000. The rule of thumb quoted by King County is \$2 per registered voter and Bellevue has approximately 75,000 registered voters. If voters approve the Charter City concept in the first election, the cost of a second required election will depend on whether it can be scheduled for a general election or will require another special election.

Responding to Deputy Mayor Degginger, Mr. Warren said utility rate increases are primarily due to increased wholesale water costs. The Environmental Services Commission will review and discuss utility rates on November 18.

In response to Mayor Marshall, Mr. Warren said the budget item involving sustainable building materials relates to a Parks Department project in the Lake Hills area. The Utilities Department was able to secure a grant to enhance this program.

Mayor Marshall noted the item on page 18-32 to reduce landscaping maintenance associated with public works equipment and facilities. She is concerned about the appearance of these facilities in neighborhoods. Mr. Warren explained that staff focused on functional issues and service levels more than aesthetics in developing the budget.

Responding to Mr. Creighton, Mr. Vidmar clarified that the plan is to reduce landscaping maintenance from 4-5 times a month to twice a month during the growing season. In the dormant season, monthly maintenance will be reduced to bimonthly.

3. Upcoming Items

(a) Lewis Creek Master Plan

(Due to the time sensitivity of a number of agenda items, discussion of the Lewis Creek Master Plan has been deferred to the November 18 Regular Session. Packet materials are provided for Council's advance consideration.)

At 10:56 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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